

**Grantee: Tucson, AZ**

**Grant: B-11-MN-04-0507**

**April 1, 2011 thru June 30, 2011 Performance Report**

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**Grant Number:**

B-11-MN-04-0507

**Obligation Date:****Award Date:****Grantee Name:**

Tucson, AZ

**Contract End Date:**

03/09/2014

**Review by HUD:**

Reviewed and Approved

**Grant Amount:**

\$2,083,771.00

**Grant Status:**

Active

**QPR Contact:**

Michael Czechowski

**Estimated PI/RL Funds:**

\$0.00

**Total Budget:**

\$2,083,771.00

## Disasters:

### Declaration Number

No Disasters Found

## Narratives

### Summary of Distribution and Uses of NSP Funds:

25% of the funds (\$520,942.75) will be used for acquisition and rehabilitation of housing to be rented to households at or below 50% area median income. \$1,354,451.65 will be used for acquisition and rehabilitation for resale through the Pima County Community Land Trust to households whose income is between 50% and 80% area median income. 10% or \$208,377.10, will be used to administer the NSP 3 program.

### How Fund Use Addresses Market Conditions:

The target area will benefit with NSP 3 funding as vacant and foreclosed homes become occupied. The City of Tucson will leverage other services and funding in the target area to bring about a transformational change to the area and its residents. Services and programs that this department is responsible for that can be targeted in this area include:

- > code enforcement efforts (within the department is a Code Enforcement Division)
- > HOME dollars (proposals could be sought for rental or homeownership projects)
- > Human services program funding (both CDBG and City funding)
- > Home rehabilitation funding (federal funding sources)
- > Historic preservation efforts (the City's Historic Preservation Office is within this department)
- > Down payment assistance (federal sources)
- >

>The targeted effort by the City of Tucson will result in an increase in private sector investment, which will speed the transformation of the area. With the public attention that has resulted from the City's planning work in the Oracle Area Revitalization Plan area, several large private sector investments have been made.

### Ensuring Continued Affordability:

Rental units will be rented through the City of Tucson El Portal program, with rents not to exceed low-home rents, published annually, as established by HUD. Resale units will be sold through the Pima County Community Land Trust. These sales shall have a 99-year leasehold agreement, automatically renewable for an additional 99 years, with a resale restriction that limits equity to 25%. All initial buyers and subsequent buyers must be between 50% and 80% area median income. All mortgages shall not exceed 35% of their gross annual income.

### Definition of Blighted Structure:

Blighted structures shall be defined by reference to the City of Tucson's Neighborhood Preservation Ordinance (NPO) Section 16-14 titled "Dilapidated and Vacant Buildings and Structures; Building and Structures Constituting a Nuisance" and; Section 16-20 titled "Slum Properties, and the definitions section from Arizona Revised Statutes Title 36 - Public Health and Safety Article 3 - Slum Clearance and Redevelopment (1471). (2) and (18) "Blighted Area" and "Slum Area". The City of Tucson will not set aside any NSP 3 funding for demolition.

### Definition of Affordable Rents:

Affordable rents shall not exceed low HOME rents as defined by HUD by bedroom size.

### Housing Rehabilitation/New Construction Standards:

The City of Tucson's NSP Rehabilitation Standards can be found at the following link:

<http://cms3.tucsonaz.gov/sites/default/files/hcd/NSP%20REHAB%20SPECS%201-09.pdf>

>In addition, the City will, at a minimum, meet the City's Bronze certification for green rehabilitation, which meets all HUD requirements.

See link here to City of Tucson Residential Green Building Rating System:

><http://cms3.tucsonaz.gov/files/dsd/CityofTucsonGreenBuildingProgram.pdf>

### Vicinity Hiring:

> The City of Tucson will follow the Section 3 regulations and the City's Section 3 Plan and ensure that not less than 30% of new hires by contractors and sub-contractors will be Section 3 eligible persons. For hiring new employees, to the maximum extent feasible, affirmative marketing of any position openings will be directed to the NSP 3 Target Area, and a preference will be given to qualified residents.

### Procedures for Preferences for Affordable Rental Dev.:

For contractor hiring, to maximum extent feasible, affirmative marketing will be directed to qualified contractors who reside within the NSP 3 Target area and preferences will be given to any qualified small businesses.

### Grantee Contact Information:

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520-837-6956

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$2,083,771.00
Total Budget	\$0.00	\$2,083,771.00
Total Obligated	\$0.00	\$0.00
Total Funds Drawdown	\$0.00	\$0.00
Program Funds Drawdown	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$3,878.80	\$3,878.80
Match Contributed	\$0.00	\$0.00



## Progress Toward Required Numeric Targets

Requirement	Required	To Date
Overall Benefit Percentage (Projected)		0.00%
Overall Benefit Percentage (Actual)		0.00%
Minimum Non-Federal Match	\$0.00	\$0.00
Limit on Public Services	\$312,565.65	\$0.00
Limit on Admin/Planning	\$208,377.10	\$0.00
Limit on State Admin	\$0.00	\$0.00

## Progress Toward Activity Type Targets

Activity Type	Target	Actual
Administration	\$208,377.10	\$208,377.10

## Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$520,942.75	\$520,942.75

## Overall Progress Narrative:

During the first quarter we have looked at several homes to purchase, but have not met our criteria, either too much repair needed, or not a single family residence, etc. We have not expended any project money.

## Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
0001, Administration	\$0.00	\$208,377.10	\$0.00
0002, Acquisition/Rehab for Rental	\$0.00	\$520,942.75	\$0.00
0003, Acquisition/Rehab for Resale	\$0.00	\$1,354,451.15	\$0.00

## Activities

<b>Grantee Activity Number:</b>	<b>9123</b>
<b>Activity Title:</b>	<b>NSP3 Administration</b>

**Activity Category:**

Administration

**Project Number:**

0001

**Projected Start Date:**

03/09/2011

**Benefit Type:**

( )

**National Objective:**

N/A

**Activity Status:**

Under Way

**Project Title:**

Administration

**Projected End Date:**

03/09/2014

**Completed Activity Actual End Date:****Responsible Organization:**

City of Tucson

Overall	Apr 1 thru Jun 30, 2011	To Date
<b>Total Projected Budget from All Sources</b>	N/A	\$214,777.08
<b>Total Budget</b>	\$0.00	\$214,777.08
<b>Total Obligated</b>	\$0.00	\$0.00
<b>Total Funds Drawdown</b>	\$0.00	\$0.00
<b>Program Funds Drawdown</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Total Funds Expended</b>	\$3,878.80	\$3,878.80
City of Tucson	\$3,878.80	\$3,878.80
<b>Match Contributed</b>	\$0.00	\$0.00

### Activity Description:

The City of Tucson anticipates spending 10% of the grant amount, \$208,377, on administrative costs associated with the acquisition and rehabilitation work.

### Location Description:

Administrative activities will occur at our main office for the City of Tucson's Housing and Community Development Department at 310 N. Commerce Park Loop in Tucson Arizona.

### Activity Progress Narrative:

## Accomplishments Performance Measures

No Accomplishments Performance Measures found.

## Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

## Activity Locations

No Activity Locations found.

## Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

### Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources

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<b>Grantee Activity Number:</b>	<b>9540</b>
<b>Activity Title:</b>	<b>Acquisition Rehab for Rental</b>

**Activity Category:**

Disposition

**Project Number:**

0002

**Projected Start Date:**

03/09/2011

**Benefit Type:**

Direct ( HouseHold )

**National Objective:**

NSP Only - LH - 25% Set-Aside

**Activity Status:**

Under Way

**Project Title:**

Acquisition/Rehab for Rental

**Projected End Date:**

03/09/2014

**Completed Activity Actual End Date:**
**Responsible Organization:**

City of Tucson

**Overall**
**Total Projected Budget from All Sources**
**Apr 1 thru Jun 30, 2011**

N/A

**To Date**

\$520,942.75

**Total Budget**

\$0.00

\$520,942.75

**Total Obligated**

\$0.00

\$0.00

**Total Funds Drawdown**

\$0.00

\$0.00

**Program Funds Drawdown**

\$0.00

\$0.00

**Program Income Drawdown**

\$0.00

\$0.00

**Program Income Received**

\$0.00

\$0.00

**Total Funds Expended**

\$0.00

\$0.00

**Match Contributed**

\$0.00

\$0.00

**Activity Description:**

The acquisition and rehabilitation will address local housing market conditions by focusing on abandoned and foreclosed properties that are depressing single family home values and the entire neighborhoods that they are in. The initial impact of rehabilitating the homes results in a cleaned-up curb appeal with landscaping and exterior improvements, which in our experience with NSP 1 and 2, results in neighboring property owners addressing visual issues with their own properties. approximately 4 homes will be transferred to the City's El Portal program for permanent rental

**Location Description:**

The target area that is proposed for the NSP 3 grant meets all three objectives &ndash it incorporates the Oracle Area Revitalization Plan boundaries, it has a NSP 3 score of 17.03, and it is not within the NSP 2 target area.

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>The Planning Department for the City of Tucson has spent several years working in an area called the Oracle Area Revitalization Area, or OARP. OARP was originally selected for comprehensive planning work due to the following factors:

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>It is an area that once was the shining gateway to Tucson and the downtown area that has since become run down, with older motels along the Oracle Road corridor, high crime, many underutilized properties and older, substandard commercial and residential structures, a substantial population of low income persons, and numerous human services agencies that serve the area population in need. Despite this reality, the area boasted many attributes that warranted the allocation of staff resources to push the revitalization effort. Among these attributes:

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>&bull; The proximity to the downtown area (with the Interstate, it is still considered a gateway to Tucson and the downtown area);

>&bull; The proximity to the University of Arizona.

>&bull; The potential for revitalization. Several recent investments and developments have begun the march toward revitalization.

>&bull; The proximity to the Pima Community College Downtown Campus, which is within the OARP boundaries;

>&bull The historic nature of the commercial properties, with many historic businesses (such as motor court hotels) that catered to the historical purpose of the Oracle Road corridor, which was the primary road into Tucson prior to the construction of Interstate 10.

### Activity Progress Narrative:

### Accomplishments Performance Measures

No Accomplishments Performance Measures found.

### Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

### Activity Locations

No Activity Locations found.

### Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

#### Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources

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